

ANNUAL
C.E.C.A.
MEETING

FIFTH

Annual Report

1943

Regina, Sask.

DIRECTORS' REPORT

Oct. 31, 1943

To All Shareholders:

Your Board of Directors takes pleasure in presenting the Annual Report of our Fifth consecutive year of operation, ending October 31, 1943.

Your Association has had another successful year and the following is a summary of the various activities.

TRANSPORTATION:

The bus has continued to provide very dependable service to the Association, regardless of the fact that it has become necessary to make a double trip. Much of the success of the bus operation is due to our driver, H. Foster, who has rendered his services in the best possible manner.

At a general meeting in the Labor Temple on Sept. 29, it was agreed that we purchase a new shift car, the cost not to exceed the sum of \$1,000 for this purpose. A 1936 Oldsmobile was procured for \$725. The book value of the old car was set at \$297, while the resale value was \$380, realizing a saving of \$83 which is now in the surplus account. [The directors recommended that the general meeting approve of the transfer of \$183 from surplus and apply this on the purchase of the new shift car which will bring the book value of the new car to \$542.00] The operation of the shift car is an essential service and has proven to be a satisfactory and profitable investment.

The net results of the operation of transportation facilities are as follows:

| | | |
|--------------------------------|---------------|-----------------|
| Bus Revenue | \$ 2,439.35 | |
| Shift-Car Revenue | <u>319.35</u> | \$ 3,258.70 |
| Bus Expenses | 1,696.96 | |
| Shift-Car Expenses | <u>584.30</u> | 2,281.26 |
| Net Savings | | 977.44 |
| Net Savings from Resale of Car | | <u>82.87</u> |
| Total Savings | | <u>1,060.31</u> |

REFRESHMENTS:

The booth has continued to prove a very satisfactory and essential phase of our association. Our volume of business has increased immensely in the past year and with the added labor involved, plus the difficulty in obtaining supplies, we feel much credit is due our attendant for the very capable and efficient service she has given. We are pleased to find, that although we are unable to pay any patronage dividends on refreshments, our years' business has resulted in the booth paying its own way and not depending on other departments as in former years.

The net result in the operation of the booth is as follows:

| | |
|---------------|-----------------|
| Booth Revenue | \$ 5,376.76 |
| Booth Expense | <u>5,370.18</u> |
| Net Saving | <u>6.58</u> |

MERCHANDISE:

This department, too, is a very useful and profitable service to the members, but due to Wartime restrictions, our development has, as we all know, been greatly curtailed. The transfer of this department was made from the shop to the Meterhouse, where it is in the capable hands of W. Elder.

This department has rendered good service under increased difficulties and the net results of the operations are as follows:

| | |
|---------------------|-----------------|
| Merchandise Revenue | \$ 2,101.99 |
| Merchandise Expense | <u>1,837.11</u> |
| Net Savings | <u>264.88</u> |

PETROLEUM:

Due to the continuation of wartime restrictions very few of the Associations members have been using their own cars for transportation with the result that the Association's own transportation units have been by far the greatest users of the facilities of this department again this year. This department's sales were approximately \$300.00 less than last year with the result that the net savings were about \$46.00 less but the percentage of savings to sales showed an increase of 2.7% over last year.

INSURANCE:

The Directors pointed out in their 1942 report that the facilities of this department have been somewhat neglected. During the year 1943, the full use of this department has not been utilized and is still far behind what it should have been, as you can see by the following comparison:

| | |
|------------------------------|------------------------------|
| <u>1942</u> | <u>1943</u> |
| Insurance Revenue - \$263.62 | Insurance Revenue - \$339.32 |

Actual dollars and cents comparison show a substantial % increase but actually the facilities available are not used by the members to their best advantage.

Co-op Life Insurance can now be obtained through your own association. For particulars see R. Gardner or E. T. Mowbrey.

DIVIDENDS:

Your Board takes pleasure in declaring a dividend of 25% on sales, (with the exception of refreshments sales, which have just cleared expenses), for the year ending October 31, 1943.

A sum of \$60.00 has been transferred from surplus to increase the statutory Reserve to 30% of Paid Up Capital, which now stands at \$710.73. 2% (\$13.27) of net savings has also been transferred to Educational Reserve which now totals \$27.25.

CAPITAL:

The By-Laws of your association provide that all members must have a five dollar paid-up share before receiving cash dividends. After payment of dividends for the last year, the association will have a paid up capital of approximately \$710.73. This year we end the third phase of our four-year Revolving Door Plan. At the last meeting of the Directors a motion was passed to the effect that 50% of the dividends remaining after paying up all unpaid share capital shall be retained in the Revolving Door Fund.

ORGANIZATION:

The Board consists of the following officers:

| | |
|----------------|--|
| President | H. L. Canfield (term expires Oct. 31, 1943)✓ |
| Vice-President | D. C. McNeven (term expires Oct. 31, 1944) |

| | | |
|--------------|----|-----------------------------|
| W. R. Gordon | -- | term expires Oct. 31, 1945 |
| G. Roy | -- | term expires Oct. 31, 1944 |
| R. Gardner | -- | term expires Oct. 31, 1943✓ |
| M. Vertzler | -- | term expires Oct. 31, 1943✓ |

Elected to fill in the balance of J. Sinclair's year.

With the resignation of Miss H. Reich, Miss J. Hebert has acted as secretary.

CONCLUSION:

Your Board of Directors wishes to express its appreciation for the support extended by all the members.

This report is respectfully submitted on behalf of the Board of Directors.

H. L. Canfield
H. L. Canfield,
President.

HLC:ET

Regina, Sask.
November 26, 1943.

1- 1944
2- 1946

Regina, Sask.
November 24, 1943

To the Members,
Consumers' Employees Co-op. Ass'n, Ltd.,
Regina, Saskatchewan.

Ladies and Gentlemen:

We have audited the books and records of the Consumers' Employees Co-operative Association Limited for the year ended October 31, 1943, and have prepared therefrom the following statements:

- Exhibit A -- Balance Sheet as at October 31, 1943
Exhibit B -- Statement of Operations and Surplus for the year ended October 31, 1943
Schedule 1 -- Accounts Payable as at October 31, 1943
Schedule 2 -- Analysis and Allocation of Indirect Expenses
Schedule 3 -- Analysis of Operating Expenses
Schedule 4 -- Statement of Revenue and Expenditures - Transportation
Schedule 5 -- Statement of Revenue and Expenditures - Social Club

STATEMENT OF OPERATIONS

Your Association made a net saving of \$1,829.82 for the year ended October 31, 1943, as shown on Exhibit B. It is determined as follows and compared with 1942:

| | <u>SALES</u> | | | |
|---|--------------|--------|------------|---------|
| | | 1942 | | 1943 |
| Sales | \$8,321.84 | 100.0% | \$8,679.97 | 100.0% |
| Deduct: Cost of goods sold | 6,903.19 | 82.9 | 6,833.97 | 78.7 |
| Gross Margin | \$1,418.65 | 17.1 | \$1,846.00 | 21.3 |
| Deduct: Operating & Administrative Expenses | 1,133.84 | 13.6 | 1,328.69 | 15.3 |
| Operating Income | \$ 284.81 | 3.5 | \$ 517.31 | 6.0 |
| Add: Other Income less Charges | 767.08 | 9.2 | 1,312.51 | 15.1 |
| Net Income for year | \$1,051.89 | 12.7% | \$1,829.82 | 21.1% ✓ |

A comparison of departmental operations is as follows:

| <u>MERCHANDISE</u> | | | | |
|---|------------|--------|------------|---------|
| Sales | \$2,606.43 | 100.0% | \$2,101.99 | 100.0% |
| Deduct: Cost of goods sold | 2,226.44 | 85.4 | 1,748.80 | 83.2 |
| Gross Margin | \$ 379.99 | 14.6 | \$ 353.19 | 16.8 |
| Deduct: Operating & Administrative Expenses | 58.04 | 2.2 | 88.31 | 4.2 |
| Net Income for year | \$ 321.95 | 12.4% | \$ 264.88 | 12.6% ✓ |

| <u>REFRESHMENT</u> | | | | |
|---|-------------|--------|------------|--------|
| Sales | \$4,317.10 | 100.0% | \$5,376.76 | 100.0% |
| Deduct: Cost of goods sold | 3,605.33 | 83.5 | 4,154.54 | 77.3 |
| Gross Margin | \$ 711.77 | 16.5 | \$1,222.22 | 22.7 |
| Deduct: Operating & Administrative Expenses | 1,046.50 | 24.2 | 1,215.64 | 22.6 |
| Net Income for year | \$ (334.73) | (7.7%) | \$ 6.58 | .1% ✓ |

A comparison of departmental operations continued.

PETROLEUM

| | 1942 | | 1943 | |
|---|------------------|--------------|------------------|----------------|
| Sales | \$1,134.69 | 100.0% | \$ 811.90 | 100.0% |
| Deduct: Cost of goods sold | <u>871.63</u> | 76.8 | <u>601.29</u> | 74.1 |
| Gross Margin | \$ 263.06 | 23.2 | \$ 210.61 | 25.9 |
| Deduct: Operating & Administrative Expenses | <u>23.79</u> | 2.1 | <u>16.73</u> | 2.1 |
| Net Income for year | <u>\$ 239.27</u> | <u>21.1%</u> | <u>\$ 193.88</u> | <u>23.8%</u> ✓ |

INSURANCE

| | | | | |
|---|-----------------|--------------|-----------------|--------------|
| Sales | \$ 263.62 | 100.0% | \$ 389.32 | 100.0% |
| Deduct: Cost of goods sold | <u>199.79</u> | 75.8 | <u>329.34</u> | 84.6 |
| Gross Margin | \$ 63.83 | 24.2 | \$ 59.98 | 15.4 |
| Deduct: Operating & Administrative Expenses | <u>5.51</u> | 2.1 | <u>8.01</u> | 2.1 |
| Net Income for year | <u>\$ 58.32</u> | <u>22.1%</u> | <u>\$ 51.97</u> | <u>13.3%</u> |

BUS

| | | | | |
|------------------|------------------|--------------|------------------|----------------|
| Revenue | \$2,251.20 | 100.0% | \$2,439.35 | 100.0% |
| Deduct: Expenses | <u>1,719.53</u> | 76.4 | <u>1,696.96</u> | 69.5 |
| Net Revenue | <u>\$ 531.67</u> | <u>23.6%</u> | <u>\$ 742.39</u> | <u>30.5%</u> ✓ |

SHIFT CAR

| | | | | |
|------------------|---------------------|-----------------|------------------|----------------|
| Revenue | \$ 767.80 | 100.0% | \$ 819.35 | 100.0% |
| Deduct: Expenses | <u>949.38</u> | 123.6 | <u>501.43</u> | 61.2 |
| Net Revenue | <u>\$ -(181.58)</u> | <u>-(23.6%)</u> | <u>\$ 317.92</u> | <u>38.8%</u> ✓ |

SOCIAL CLUB

| | | | | |
|------------------|------------------|--------------|------------------|----------------|
| Revenue | \$ 336.25 | 100.0% | \$ 429.25 | 100.0% |
| Deduct: Expenses | <u>208.51</u> | 62.0 | <u>271.36</u> | 63.2 |
| Net Revenue | <u>\$ 127.74</u> | <u>38.0%</u> | <u>\$ 157.89</u> | <u>36.8%</u> ✓ |

Your merchandise sales of \$8,679.97 represents an increase of \$358.13 or 4.3 per cent over 1942 sales. While your operating and administrative expenses have increased 1.7 per cent, your gross margin has also shown an increase of 4.2 per cent. Other income less charges, which item includes your transportation earnings, has shown an increase of 5.9 per cent over the 1942 figure. This latter item has shown a definite improvement, due to a large extent, to a net earnings of shift car of \$317.92 as against a loss of \$181.58 in 1942. Your refreshment booth has shown a slight earning in 1943, as compared to a loss of \$334.73 in 1942.

BALANCE SHEET

We offer the following comments and explanations on items in the Balance Sheet:

Cash on hand \$30.80

We have a certificate signed by the president Mr. H. L. Canfield, that the

With regard to handling cash which is taken in at the booth, there is no proper check on receipts. In our opinion, the association should install a cash register in the booth. As long as it is the policy not to pay patronage refunds on booth business, the machine employed can be relatively simple and inexpensive. The work of the booth attendant would be further simplified if the use of the purchase cards were discontinued.

There is considerable duplication in handling records of general merchandise sales. We feel that charge sales should be discontinued as soon as possible. However, if that is not practicable at the present time, we recommend the use of a "whis" machine with triplicate invoices with one copy going to the customer at the time of purchase, one copy for patronage records, and the third copy for accounting records.

The banking and signing resolution in connection with your secretary-treasurer should be incorporated in your minutes.

In terms of the foregoing, we report that in our opinion, the attached Balance Sheet and Operating Statements are properly drawn up so as to exhibit a correct view of the financial condition of the association as at October 31, 1943, and of the results of operations for the year ending that date, according to the information and explanations received by us and as shown by the records of the association, which have been well and carefully kept.

Yours very truly,
AUDIT DEPARTMENT,
AUDIT DEPARTMENT

CONSUMERS' EMPLOYEES CO-OPERATIVE ASSOCIATION LIMITED

adding, ~
George Dolson
Department Manager

George Dolson, B. Coma.,
F. X. Herlinger,
FXN:MS

Surplus Account

| | | |
|---------------------------------------|---------------|---------------|
| Net saving for period brought forward | | \$1,829.82 |
| Balance surplus October 31, 1942 | \$748.75 | |
| Less 1942 local dividend distributed | <u>621.67</u> | <u>127.08</u> |
| | | \$1,956.90 |

| | | |
|--|--------------|---------------|
| Add: Adjustment re accounts receivable from previous year | \$ 6.30 | |
| Refinery unallocated dividend returned to surplus from reserved for member account | 79.10 | |
| Repayment of 1940 revolving door fund by Refinery | 18.65 | |
| Adjustment re cooler purchased in 1943 (rent) | <u>27.50</u> | <u>131.55</u> |
| | | \$2,088.45 |

| | | |
|---|--------------|---------------|
| Less: Expense 1942 annual dance | \$ 91.23 | |
| Bonus - Foster and Stoppler | 20.00 | |
| Prior period item (Refinery adjustment) | 4.80 | |
| Transfer of 1942 Refinery dividends to member reserves - R.D.F. | 32.08 | |
| Statutory reserve | 60.00 | |
| Educational reserve | <u>18.47</u> | <u>226.58</u> |

Surplus as at October 31, 1943
carried to Balance Sheet (Exhibit A)

\$2,861.87 ✓

CONSUMERS' EMPLOYEES CO-OPERATIVE ASSOCIATION LIMITED
 Regina, Saskatchewan

ANALYSIS OF OPERATING EXPENSES
 for the year ended October 31, 1943.

Schedule 3

| | <u>Merchandise</u> | <u>Refreshment</u> | <u>Petroleum</u> | <u>Insurance</u> | <u>Total</u> |
|---|--------------------|--------------------|------------------|------------------|-------------------|
| Salary | | \$ 845.55 | | | \$ 845.55 |
| Depreciation | | 177.06 | | | 177.06 |
| Maintenance | | 88.70 | | | 88.70 |
| Materials | | 38.98 | | | 38.98 |
| Indirect Expenses allocated (Schedule 2) | \$88.31 | 65.35 | \$16.73 | \$8.01 | 178.40 |
| | <u>\$88.31</u> | <u>\$1,215.64</u> | <u>\$16.73</u> | <u>\$8.01</u> | <u>\$1,328.69</u> |

CONSUMERS' EMPLOYEES CO-OPERATIVE ASSOCIATION LIMITED
Regina, Saskatchewan

STATEMENT OF REVENUE AND EXPENDITURES - TRANSPORTATION
for the year ended October 31, 1943

Schedule 4

| | <u>Bus</u> | <u>Shift car</u> | <u>Total</u> |
|---|------------|----------------------|--------------|
| <u>Revenue</u> | | | |
| Fees | \$2,439.35 | \$819.35 | \$3,258.70 |
| <u>Expenses</u> | | | |
| Fuel | \$ 532.56 | \$321.65 | \$ 854.21 |
| Repairs | 472.09 | 205.77 | 677.86 |
| C.C.R. employees - time charged | 272.05 | | 272.05 |
| Bus driver's wages | 120.00 | | 120.00 |
| Storage | 150.00 | 40.00 | 190.00 |
| Depreciation | 100.00 | | 100.00 |
| Indirect expenses allocated (Schedule 2) | 50.26 | 16.88 | 67.14 |
| | \$1,696.96 | \$584.30 | \$2,281.26 |
| Transportation revenue | \$ 742.39 | \$235.05 | \$ 977.44 |
| Plus earnings realized from sale of Ford shift car | | 82.87 | 82.87 |
| Net Revenue | \$ 742.39 | \$317.92 | \$1,060.31 |

STATEMENT OF REVENUE AND EXPENDITURES - SOCIAL CLUB
for the year ended October 31, 1943

Schedule 5

| | |
|-----------------|-----------|
| <u>Revenue</u> | |
| Fees | \$ 429.25 |
| <u>Expenses</u> | |
| Dances, etc. | 168.51 |
| Gifts | 102.85 |
| | \$ 271.36 |
| NET REVENUE | \$ 157.89 |

